

HAVEN HIGH TECHNOLOGY COLLEGE FINANCE POLICY

Introduction

The governing body recognises that it is ultimately responsible for the financial management of the college and has produced this policy document to help it fulfil those responsibilities.

Organisation

In view of the importance and complexity of financial management in the college, the governing body has established a Finance Committee to enable due consideration to be given to all financial matters.

The governing body has delegated a number of its powers to the Finance Committee (details of roles and responsibilities are set out later in this policy document).

The Finance Committee members are:

Chair	<i>Mr T Elmer</i>
Vice Chair	<i>Mr R Tinkler</i>
Member 2	Mr B Topliss
Member 4	<i>Rev. S Dowson</i>
Member 5	<i>Mrs C Thompson</i>
Member 6	<i>Mr A Reed (Executive Executive Headteacher)</i>

The Chair and Vice Chair of the Finance Committee are elected by the full Governing Body annually.

The Finance Committee plans to meet regularly each year to:

- agree the budget for the new financial year
- at regular intervals to consider budget monitoring reports
- and at any other times necessary to agree development plans, tenders and salary increases.

The Finance Committee will report, and make appropriate recommendations, to the full governing body. Minutes of each Finance Committee meeting will be presented to the next meeting of the full governing body.

Finance Committee members will be required to maintain strict confidentiality with respect to payroll and other sensitive information presented to them.

Roles and Responsibilities

The governing body recognises the importance of governors, Finance Committee members, the Executive Headteacher and staff being clear about their respective roles and responsibilities with regard to the financial management of the college. This section sets out those roles and

responsibilities.

The **governing body** will:

- agree, and record in writing, the roles and responsibilities of the Finance Committee and Executive Headteacher and the Finance Manager.
- review those roles and responsibilities on an annual basis and elect the Finance Committee members each year
- approve the college's budget each year, ensuring that a copy is attached to the minutes of the meeting
- submit the approved budget to the LA within the specified timescale
- approve the college's original and revised financial plans each year, take appropriate steps to ensure the college's budget does not overspend and contact the LA and seek prior approval to overspend
- authorise the college's applications for loans from the County Council
- satisfy itself that the Finance Committee and Executive Headteacher are fulfilling their responsibilities as set out in this policy document
- review detailed budget monitoring reports each term, ensuring that copies are attached to the minutes
- record in writing the transaction / process authorisation limits, etc, relating to the college's financial system for relevant members of staff
- agree the college's virement policy, setting a limit up to which the Executive Headteacher can move funds between the currently approved budgets without seeking the governors' prior approval
- establish the college's charging policy and review this on an annual basis
- ensure that the college fund is audited each year
- ensure that a signed statement confirming that the college fund has been audited is issued to the County Council within its specified timescale
- review the financial training needs of governors, the Executive Headteacher and staff on annual basis and fund training needs, as appropriate
- ensure that the college's Register of Business Interests and Conflict of Interests is kept up-to-date
- ensure that the college complies with the LA's guidance relating to Extended Schools and, in particular, that it does not subsidise extended school activities from the college's main budget share
- ensure the college complies with all aspects of the Scheme for Financial Management of Schools
- review this policy document on an annual basis

The **Finance Committee** will:

- familiarise themselves with this policy document and their roles and responsibilities
- ensure that the college complies with the LA's Scheme for Financial Management, as approved by the Secretary of State
- familiarise themselves with the way in which colleges in Lincolnshire are funded
- contact the LA for advice in relation to leasing arrangements, as appropriate

- produce a timetable of meetings annually their key purpose outlined in agendas published in advance
- consider the draft budget papers prepared by the Executive Headteacher
- consider the draft finance plan prepared by the Executive Headteacher
- consider budget-monitoring reports produced by the Executive Headteacher throughout the year
- monitor the financial performance of catering and other functions (where applicable) throughout the year
- ensure that the college obtains value for money
- ensure that the college's Standards Fund allocations are fully utilised
- use management information, particularly that supplied by the County Council, to challenge the way in which the college uses its financial resources
- ensure that the college complies with the County Council's financial regulations
- ensure that the college produces a Best Value statement and adheres to it
- report to the full governing body
- ensure that audit recommendations are implemented within a reasonable timescale
- ensure that the college has a list of certifying officers for the purpose of signing cheques, certifying employee claims, etc, and review this on an annual basis

The **Executive Headteacher** will:

- ensure he is familiar with this policy document and his role and responsibilities
- draft budget papers
- draft original and revised finance plans
- ensure that College Development Plan priorities are properly costed and linked to the college's budget and finance plan
- monitor the budget on a monthly basis
- oversee the day-to-day running of the college's financial administration and ensure that the County Council's timetable is adhered to
- ensure that proper checks and controls are in place to cover day-to-day activities. (Advice on internal checks and controls should be sought from the Council's Audit team)
- authorise transactions / processes within the college's financial system up to limits agreed by the governing body, this could include the release of purchase orders, posting of special payments vouchers, releasing orders that have been blocked for payment, authorising the removal of a credit note billing block and authorisation of master data
- act as an authorised signatory for the purposes of signing cheques, certifying employee claims, etc
- review reconciliations and returns on a regular basis and initial documents as evidence that such checks have been carried out
- ensure that the college fund records are kept up-to-date
- ensure that college fund's annual accounts are prepared, audited, approved by the full governing body and submitted to the LA in the timescale specified

- agree virements up to his authorised limit
- ensure VAT is correctly accounted for
- ensure that any budgets that are delegated to senior staff or departments operate within a similar control regime, ie, with regard to budget monitoring and reporting, etc

The **finance manager** will:

- maintain the accounting records using SAP
- carry out transactions / processes within the college's financial system up to limits agreed by the governing body. For example, the colleges raising/releasing of purchase orders and parking/posting of special payment vouchers
- ensure that the LA's timetable for completion of bank, imprest and other reconciliations is adhered to
- submit income and expenditure statements, VAT returns, etc to the LA within the specified timescales (Prime Account Colleges only)
- contact the college's nominated Financial Assistant in the Colleges' Finance Team with concerns or queries regarding financial administration
- ensure that purchase orders are raised prior to ordering goods / services, wherever possible, to aid effective budget monitoring and management
- ensure that payments are made to suppliers within LCC's payment policy, ie 28 days after the date of the invoice
- ensure that, where appropriate, claims for the sickness absence insurance scheme are made promptly and no later than 3 months after the relevant period

Training

The governing body recognises the importance of financial training for governors and staff in helping them to fulfil their responsibilities in relation to the financial management of the college.

The training needs of all governors and staff will be reviewed each year. Appropriate budgetary provision will be made, where necessary, and governors and staff will be actively encouraged to undertake that training.

Budget setting

The governing body recognises the importance of setting a detailed budget at the start of the year.

The Executive Headteacher will draft a detailed budget for each line of income and expenditure, for the Finance Committee's consideration.

The Executive Headteacher will include options for increased spending, as set out in the College's Development Plan, and options for cost-cutting measures, where appropriate.

Budget monitoring

The governing body recognises the importance of regular budget monitoring in helping to detect accounting errors and identify, as early as possible, potential under and overspendings.

The Executive Headteacher will monitor the budget on a monthly basis by reviewing printouts from the college's financial system for:

- errors
- miscodings
- large or unusual items
- potential underspendings or overspendings against budget

and act promptly, where appropriate.

Financial administration

The governing body recognises the importance of proper financial administration to safeguard against inaccuracies and out of date information being used to make erroneous financial decisions in the college.

The Executive Headteacher will monitor the financial administration functions carried out by the finance manager, ensuring that:

- accounting systems are kept up-to-date
- bank reconciliations, imprest claims, etc, are completed in accordance with the LA's published timetable
- appropriate action is taken where the LA advises the college that its day-to-day administration is not up-to-date

Reporting

The governing body recognises the importance of receiving detailed, accurate and up-to-date financial information to enable it to oversee and control the financial position of the college.

The Executive Headteacher will prepare budget-monitoring reports for consideration by the Finance Committee.

The reports will include for each line of income and expenditure (including standards funds):

- the original budget,
- changes to the budget,
- current budget,
- expenditure and commitments to date,
- expenditure and commitments to date expressed as a percentage of the

current budget
an outturn projection
a variance between outturn and current budget
an explanation for all variances exceeding £1,000 in value
details of proposed virements
details of proposals for additional spending or cost-cutting measures

In addition to the reports in SAP or other nominated financial system (prime account colleges only), the County Council issues spreadsheet and word-processing documents to colleges on an annual basis to provide a framework for the preparation of finance plans and budget monitoring reports to governors.

Financial planning

The governing body recognises the importance of financial planning beyond the current year.

The Executive Headteacher will prepare a financial plan covering the next three to four years.

The plan will show the projected numbers on roll and the impact this has on the college's budget share, expenditure and carry forward.

The level of detail shown in the plan will include, as a minimum, the information set out in the County Council's financial planning spreadsheet, which is issued to colleges each year.

The plan will include contingency plans, setting out the college's proposals for dealing with variations including, in particular, changes in the projected number on roll.

Audit

The governing body recognises the importance of the County Council's audit regime in assessing the adequacy of the college's financial controls

The governing body and Executive Headteacher will ensure that auditors are given access to staff, all relevant records and property, as the auditors consider necessary

The Executive Headteacher will ensure that audit recommendations are implemented as soon as possible

The Executive Headteacher will ensure they are familiar with the Financial Procedures and Finance Handbook, which provide guidance on best practice, internal controls and statutory requirements

Reviewed May 2009